

104TH CONGRESS
2D SESSION

H. RES. 506

Expressing the sense of Congress that all parents should be afforded the opportunity to plan ahead for their children's college education through tuition prepayment plans that guarantee college for their offspring at a fixed price.

IN THE HOUSE OF REPRESENTATIVES

AUGUST 1, 1996

Mrs. MORELLA submitted the following resolution; which was referred to the Committee on Economic and Educational Opportunities

RESOLUTION

Expressing the sense of Congress that all parents should be afforded the opportunity to plan ahead for their children's college education through tuition prepayment plans that guarantee college for their offspring at a fixed price.

Whereas over the past 15 years, the average tuition at private colleges has increased 90 percent, and at public institutions, tuition has risen 100 percent;

Whereas median family income during the same period rose only 5 percent;

Whereas at public institutions, tuition, room, and board as a percentage of median family income rose to a high of 15 percent of median family income in 1993;

Whereas at private institutions, tuition, room, and board as a percentage of median family income rose to 41 percent in 1993;

Whereas the earnings advantage of completing college increased between 1970 and 1993 for both males and females;

Whereas according to the Department of Commerce, a person with a bachelor's degree will average 55 percent more in lifetime earnings than a person with a high school diploma;

Whereas by the year 2000, 86 percent of new jobs will require postsecondary education and training;

Whereas as the cost of college continues to increase, concern about saving for college has grown;

Whereas most families have difficulty saving for college because there are no guidelines for how much to save and they must decide, sometimes by default, how much to put aside for unknown future expenses;

Whereas tuition prepayment plans offer a systematic college savings plan that sets manageable monthly payments enabling families to know just how much money they must set aside each month in order to guarantee their child's tuition;

Whereas tuition prepayment plans help families fight inflation by locking in and guaranteeing their child's education at a fixed price;

Whereas tuition prepayment programs give students more choice among schools because additional savings may enable some students to consider more expensive schools as well as private institutions;

Whereas tuition prepayment programs encourage families to begin thinking about their children's education ahead of time, and the additional savings may prompt parents to set higher educational goals for their children;

Whereas tuition prepayment plans could reduce the need to borrow for college which could reduce student debt, reduce the student default rate, and reduce the financial burden faced by the next generation;

Whereas 12 States have adopted a tuition prepayment plan or a savings plan;

Whereas the State of Florida's Prepaid College Program is entering its 8th year of providing better access to higher education for its children and has sold more than 327,000 contracts to citizens concerned about preparing for their children's future; and

Whereas the State of Maryland is planning to adopt a prepayment-installment program to help parents pay for their children's college education in advance: Now, therefore, be it

1 *Resolved*, by the House of Representatives, That it
 2 is the sense of Congress that all States should adopt a
 3 tuition prepayment plan to allow families the opportunity
 4 to save for their children's education in advance and at
 5 a guaranteed rate.

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